

ALVORD AND ALVORD

ATTORNEYS AT LAW

1600 K STREET, NW

SUITE 200

WASHINGTON, D.C.

20006-2973

(202) 393-2266

FAX (202) 393-2156

ELIAS C. ALVORD (1942)  
ELLSWORTH C. ALVORD (1964)

OF COUNSEL  
URBAN A. LESTER

September 1, 2000

RECORDATION NO. 23072 FILED

Mr. Vernon A. Williams  
Secretary  
Surface Transportation Board  
Washington, D.C. 20423

SEP 1 '00 10-17 AM  
TS  
SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Lease and Assignment of Lease, dated as of September 1, 2000, a primary document as defined in the Board's Rules for the Recordation of Documents.

Please index this document under the names of the Assignor, Assignee and Lessee identified below.

The names and addresses of the parties to the enclosed document are:

Assignor: ITG, Inc.  
220 Jackson Street  
Suite 3000  
San Francisco, CA 94111

Assignee: Railcar, Ltd.  
1819 Peachtree Road NE  
Suite 425  
Atlanta, GA 30309-1847

[Lessee: Iowa Interstate Railroad]

Mr. Vernon A. Williams  
September 1, 2000  
Page Two

A description of the railroad equipment covered by the enclosed document is:

10 ballast railcars within the series IAIS 7004 - IAIS 7067

A short summary of the document to appear in the index follows:

Memorandum of Lease between ITG, Inc., Lessor, and Iowa Interstate Railroad, Lessee, and Assignment of Lease from ITG, Inc., Assignor, to Railcar, Ltd., Assignee, covering 10 ballast railcars within the series IAIS 7004 - IAIS 7067.

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee and cross indexing fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in cursive script, appearing to read 'Robert W. Alvord', with a horizontal line extending from the end of the signature.

Robert W. Alvord

RWA/anm  
Enclosures

MEMORANDUM OF LEASE AND ASSIGNMENT OF LEASE

1. This instrument relates to the Railroad Car Lease Agreement, No. ITG-2386, dated April 24, 1998, between ITG, Inc. and Iowa Interstate Railroad, and related Riders Nos. 1, 2, and 3 dated April 24, 1998 (collectively, the "Lease Agreement"), pursuant to which ITG, Inc. ("ITG") has leased to Iowa Interstate Railroad ("Lessee") ten (10) ballast railcars bearing the marks and numbers in the attached "Description of Railcars" (the "Cars"). Said lease of the Cars is referred to hereinafter as the "Lease."

2. Pursuant to the Asset Purchase Agreement dated as of September 1, 2000, between ITG and Railcar, Ltd. ("LTD"), ITG has assigned to LTD all of ITG's rights, title, and interest in and to the Lease Agreement and the Cars. In connection with the assignment by ITG to LTD, Lessee executed a Notice & Acknowledgement of Assignment dated as of August 4, 2000, pursuant to which Lessee acknowledged such assignment and agreed to certain amendments to the Lease Agreement.

3. The addresses of the parties are as follows:

ITG, Inc. (Former Lessor / Assignor)  
220 Jackson Street, Suite 3000  
San Francisco, CA 94111

Railcar, Ltd. (New Lessor / Assignee)  
1819 Peachtree Road, N.E., Suite 425  
Atlanta, Georgia 30309-1847

Iowa Interstate Railroad (Lessee)  
2920 Industrial Park  
Iowa City, Iowa 52240-4806

RECORDATION NO. 23072 FILED

SEP 1 '00 10-17 AM

**SURFACE TRANSPORTATION BOARD**

4. The term of the Lease has already commenced and is scheduled to end on April 30, 2003 without an option to extend the term.

5. The terms and provisions of the Lease are more particularly set forth in the Lease Agreement and the Notice & Acknowledgement of Assignment. The terms and provisions of the assignment are more particularly set forth in the Asset Purchase Agreement.

6. This Memorandum may be signed in counterpart or duplicate copies, and any signed counterpart or duplicate copy shall be equivalent to a signed original for all purposes.

[Execution on next page; remainder of this page intentionally left blank]

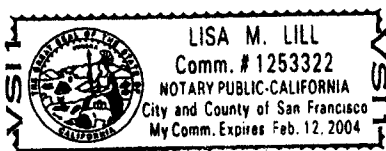
IN WITNESS WHEREOF, the parties hereto have caused this Memorandum to be executed as of 8-25, 2000.

ITG, INC.

By: \_\_\_\_\_  
Name: Alice V. Dill  
Title: Secretary

State of California }  
County of San Francisco } SS.

On August 25, 2000, before me personally appeared Alice V. Dill, to me personally known, who being by me duly sworn says that she is Secretary of ITG, Inc., and that she executed the foregoing instrument on behalf of said corporation by authority of its board of directors, and she acknowledged that the execution of the foregoing instrument was the free act and deed of corporation.



Lisa M. Lill  
Notary Public Lisa M. Lill  
My commission expires: 02-12-04

[NOTARIAL SEAL]

[Execution continued on next page; remainder of this page intentionally left blank]

RAILCAR, LTD.

By:

Name:

Title:

Paul H. Kennedy  
Paul H. Kennedy  
Vice President

State of Georgia

County of Gwinnett } SS.

On September 1, 2000, before me personally appeared Paul H. Kennedy,  
to me personally known, who being by me duly sworn says that he/she is Vice President  
of Railcar, Ltd., and that he/she executed the foregoing instrument on behalf of said corporation  
by authority of its board of directors, and he/she acknowledged that the execution of the  
foregoing instrument was the free act and deed of corporation.

J. The [Signature]  
Notary Public  
My commission expires:

[NOTARIAL SEAL]

Notary Public, Gwinnett County, Georgia  
My Commission Expires January 3, 2004

## DESCRIPTION OF RAILCARS

Lessor: ITG, Inc.  
Lessee: Iowa Interstate Railroad  
Lease #: Railroad Car Lease Agreement dated April 24, 1998 between ITG, Inc.,  
as Lessor and Iowa Interstate Railroad, as Lessee and the related Riders  
No. One, Two and Three (ITG-2386)

Car Description: Ballast  
Number of Cars: 10  
Car Mark: IAIS  
Car Numbers: 7011 7012 7030  
7004 7006 7019  
7037 7041  
7050 7067